

Instructions for Underwritten Title Company Data Call

California Department of Insurance

August 22, 2005 Revised September 15, 2005

General Instructions

Please provide the information requested in the specified format by the following due dates:

By no later than **October 21, 2005**: Supplemental Information to Table 1 or Table 1A and Supplemental Information for Table 2

By no later than **December 8, 2005**: Table 1 or Table 1A and Table 2

Please review the attached questions and answers regarding the data call. These questions and answers are the result of considerable discussion between the Department and interested parties and will help you respond to the data call in an accurate and timely manner.

Please submit Table 1 or 1A and Table 2 as a spreadsheet file using the templates provided by the Department. If your response to Table 2 requires more rows or records than fit into a spreadsheet, please submit Table 2 in either a Microsoft Access-compatible database or a comma-delimited text file. Comma-delimited text file means that each record is a separate row and each data element is separated (delimited) by a comma. Text entries are identified with quotation marks. If submitting Table 2 as either a database or text file, please use the layout in the Table 2 spreadsheet template provided by the Department.

If possible, please submit the supplemental information in electronic format as a spreadsheet file, Adobe PDF file, Microsoft Word-compatible file or text file format. You may submit the supplemental information in paper format.

The Department prefers to receive your response via e-mail with attachments. If you e-mail the requested information, please use the following e-mail address:

rsb@insurance.ca.gov. If you e-mail your submission, the Department will confirm receipt by e-mail.

You may mail your responses on a CD-ROM to the Rate Specialist Bureau at the address below.

The mailing address is:

Rate Specialist Bureau
California Department of Insurance
300 S. Spring Street, South Tower, 14th Floor
Los Angeles, CA 90013

If you have questions about the data call, please submit the questions by e-mail using the same e-mail address rsb@insurance.ca.gov for submissions. The Department will post the complete data call documents on its web site at the following address:

<http://www.insurance.ca.gov/>

Information Requested

UTC - Table 1: List of Business Activity by Source and Type of Transaction

In Table 1, the Department requests a report of title and escrow activity by source and type of transaction.

Column 1:	Name of UTC	Report the complete name of the underwritten title company.
Column 2:	County	Report the name of the county whose activity is being reported.
Column 3:	Type of Title Order Transaction	Report 1 for a new home sale other than in a subdivision or any residential resale; 2 for a new home sale only in a subdivision; 3 for a residential refinance; 4 for any other residential transaction; and 5 for all commercial and industrial activity.
Column 4:	Source of Title Order	Report the name of the source of the title order. California Insurance Code Section 12397.5(a) requires UTCs to maintain this information.
Column 5:	Affiliated Source	Report 1 (one) if the source of the title order is affiliated to the UTC and 0 (zero) if not.
Column 6:	Title Orders Opened	Report the number of title orders opened in 2004 for this combination of county, type and source of title orders.
Column 7:	Title Orders Closed	Report the number of title orders closed in 2004 for this combination of county, type and source of title orders.
Column 8:	Title Orders Cancelled	Report the number of title orders cancelled in 2004 for this combination of county, type and source of title orders.
Column 9:	Escrow Orders Opened	Report the number of escrow orders opened in 2004 for this combination of county, type and source of escrow orders. *
Column 10:	Escrow Orders Closed	Report the number of escrow orders closed in 2004 for this combination of county, type and source of escrow orders. *
Column 11:	Escrow Orders Cancelled	Report the number of escrow orders cancelled in 2004 for this combination of county, type and source of escrow orders. *

** On escrow data fields, Type and Source refer to the Type of transaction in column 3 and the Source of the transaction in column 4. If there are escrow orders with no corresponding title orders or vice versa, then report a Type and Source of order and leave the title blank and report escrow only, or vice versa.*

Supplemental Information for Table 1:

1. Please identify the specific events that cause you to consider a title order opened, closed and canceled and the specific events that cause you to consider an escrow order opened, closed and canceled.
2. Please describe your working definition of “source of title orders” for purposes of your compliance with California Insurance Code § 12397.5 (a). Question 13 of the Questions and Answers of September 15, 2005 quotes that statutory provision, for your convenience.

UTC-Table 1A: List of Title and Escrow Orders Opened, Closed and Canceled.

For those underwritten title companies unable to report Table 1 as directed by the Department, please report Table 1A instead. Table 1A is a list of all title and/or escrow orders opened and contains the following fields. Please note, all fields that include an asterisk (*) next to the field name are to be reported only if the requested information is reasonably available to the underwritten title company in a computer database available to the underwritten title company. The Department does not expect any UTC to be able to provide all the data in fields marked by an asterisk, but does expect each UTC to be able to provide some of the data elements for some portion of title and escrow orders opened, closed and cancelled. The Department also expects that each underwritten title company will provide the data requested in columns 1 through 8 for the vast majority of all title and escrow orders opened, closed and cancelled. The Department expects that every record will have an entry in Columns 19 through 21.

1. Name of UTC	Please enter the full name of the underwritten title company submitting this report.
2. Transaction Type	Please enter 1 if a combined title and escrow order. Enter 2 if title only. Enter 3 if full escrow only. Enter 4 if sub-escrow only.
3. ZIP Code of Property	Please enter the ZIP Code location of the property that is the subject of the transaction.
4. UTC Office Code	Please provide separate a list of the underwritten title company's offices that transact any title or escrow business and assign a numerical code to each office. Please enter, in this column 4, the office code of the office principally responsible for the transaction reported on this row.
5. UTC Office ZIP	Enter the ZIP Code location of the office identified in Column 4.

6. Title Product	If the Column 2 entry is 1 or 2, please make an entry in this column. Enter 1 if a title order was closed. Enter 2 if a title guaranty order was closed. Enter 3 if a title order was canceled. Enter 4 if a title guaranty order was canceled.
7. Escrow Product	If the column 2 entry is 1, 3 or 4, please make an entry in this column. Enter 1 if escrow order was closed. Enter 2 if escrow order was canceled.
8. Escrow Company	Please enter the name of the escrow company involved in the transaction if other than the underwritten title company itself. If no escrow associated with this order, enter 0 (zero).
9. Customer*	Please enter the name of the customer as your underwritten title company has identified the customer.
10. Customer Affiliated*	Please enter 1 if the customer in column 9 is affiliated with the underwritten title company and 0 (zero) if not.
11. Real Estate Agent*	Enter the name of the real estate agent most involved in the transaction.
12. Real Estate Agent Affiliation*	Enter 1 if the real estate agent in column 11 is affiliated with the underwritten title company and 0 (zero) if not.
13. Lender*	Enter the name of the lender involved in the transaction.
14. Lender Affiliation*	Enter 1 if the lender in column 13 is affiliated with the underwritten title company and 0 (zero) if not.
15. Mortgage Broker*	Enter the name of the mortgage broker involved in the transaction.
16. Mortgage Broker Affiliation*	Enter 1 if the mortgage broker in column 15 is affiliated with the underwritten title company and 0 (zero) if not.
17. Developer / Home Builder*	If the transaction involves a property in a development or subdivision, enter the name of the developer / homebuilder.
18. Developer / Home Builder* Affiliation	Enter 1 if the developer / homebuilder in column 17 is affiliated with the underwritten title company and 0 (zero) if not.

19. Owner's Title Policy Liability	Enter the amount of liability on the owner's title policy issued or owner's title policy commitment in the preliminary report with no commas or decimal points. For example, enter \$545,600.00 as "545600." If an owner's title policy was issued or if a commitment to issue an owner's title policy was made but the amount is unknown, enter 11. If there is no owner's title policy issued or owner's title policy commitment made on this transaction, enter 99
20. Lender's Title Policy Liability	Enter the amount of liability on the lender's title policy issued or lender's title policy commitment in the preliminary report with no commas or decimal points. For example, enter \$545,600.00 as "545600." If a lender's title policy was issued or if a commitment to issue a lender's title policy was made but the amount is unknown, enter 11. If there is no lender's title policy issued or lender's title policy commitment made on this transaction, enter 99.
21. Escrow Amount	Enter the amount of escrow upon which the escrow fee would be determined with no commas or decimal points. For example, enter \$545,600.00 as "545600." If an escrow was opened on this transaction but the amount is unknown, enter 11. If there is no escrow on this transaction, enter 99.

Supplemental Information for Table 1A

1. Please provide a list of the underwritten title company's offices that transact title or escrow business in California and assign a numerical code to each office for use in Column 4 of Table 1A

2. Please provide your working definition "source of title orders" for purposes of your compliance with California Insurance Code § 12397.5 (a). Question 13 of the Questions and Answers of September 15, 2005 quotes that statutory provision, for your convenience.

UTC - Table 2: Personnel Expenses

In Table 2, the Department requests a report of personnel expenses for your underwritten title company for 2004 broken out by major category of activity. You may report the requested information on either a paid or an accrual basis. Please use the activity categories in the following list for reporting your personnel expenses for 2004:

Activity Code Number and Description

1. Title Search / Examination – This activity includes acquisition of title and related documents from a title plant or other information source, examination and analysis of the documents and underwriting.
2. Title Plant Maintenance – This activity includes physical maintenance of a back plant and physical maintenance and updates to the current plant. This activity includes maintenance of databases and information for title and title-related documents.
3. Title Policy Issuance – This activity includes preparation and issuance of the title policy and related documents and maintenance of customer information.
4. Title Claims – This activity includes intake, processing and settling of title insurance claims.
5. General Management – This activity includes general management of the UTC. Do not include managers of activities specifically identified in this list. Those managers should be included with the functional activity they manage. For example, include a general counsel in this category, but do not include a lawyer dedicated to settling claims. Include human resources in the category. Include general information technology in this category – computer and network installation, maintenance and support not otherwise assigned to a separate functional category. Include any personnel devoted to developing and maintaining hardware and software for electronic access to title plant information in the Title Plant Maintenance category.
6. Customer Support – This activity includes answering questions and providing information to the UTC's customers or members of the public, outside of formal title search and examination and claims settlement activities.
7. Sales – This activity includes sales, business promotion and solicitation.
8. Escrow Other Than Closing – This activity includes all escrow activity other than the actual closing of the real estate transaction.
9. Escrow Closing – This activity includes the actual closing of the real estate transaction.

10. Escrow Claims Settlement – This activity includes processing and settling escrow claims.
11. Other – If none of the above categories can be used, use this code and explain the activity. If there are two or more types of "Other" activities, use codes 12, 13 and 14, as necessary.

Please include all employees, temporary/contract workers and consultants in the following reporting format. If a worker is engaged in two or more of the categories listed, please estimate the percentage of the worker's time in each of the categories and allocate the worker's personnel costs on the basis of the time percentages. Please assign administrative and other support workers to the category or categories for which the workers provide the support.

Column 1:	Name of UTC	Insert the complete name of the underwritten title company.
Column 2:	CDI Activity Category	Please use one of the codes from the list above to describe activity being reported.
Column 3:	Description of "Other"	If Column 2 is a code for "Other," please provide a name and description of the activity category.
Column 4:	Total Full Time Equivalent Workers	Please report the total number of full-time equivalent employees, temporary/contract workers and consultants for this category in 2004. An employee who is engaged in each of two activity categories for 50% of her time would be a 0.5 full-time equivalent in each activity category. An employee who worked in one activity for only three months of the year would be a 0.25 full-time equivalent
Column 5:	Salary	Report the aggregate salary incurred for this activity in 2004. If a worker engaged in more than one activity, calculate the amount for that individual worker by multiplying the total salary incurred for this individual for the year by the fraction of his/her time worked in this category that was used to calculate the amount reported in Column 4.
Column 6:	Commission	Report the aggregate commission incurred for this activity in 2004. If a worker engaged in more than one activity, calculate the amount for that individual worker by multiplying the total commission incurred for this individual for the year by the fraction of his/her time worked in this category that was used to calculate the amount reported in Column 4.

Column 7:	Bonus	Report the aggregate bonuses incurred for this activity in 2004. If a worker engaged in more than one activity, calculate the amount for individual workers by multiplying the total bonus incurred for this individual for the year by the fraction of his/her time worked in this category that was used to calculate the amount reported in Column 4. <u>Include in the bonus category any amounts incurred as dividends to owners who are also employees of, or consultants to, the UTC.</u>
Column 8:	Employee Relations and Welfare	Report the aggregate benefits incurred to workers for this activity in 2004. If a workers engaged in more than one activity, calculate the amount for individual workers by multiplying the total benefits incurred for this individual for the year by the fraction of his/her time worked in this category that was used to calculate the amount reported in Column 4.

Supplemental Information for Table 2

1. Please provide an organizational chart for your UTC that identifies the activity categories that your UTC uses, as opposed to the activity categories used for Table 2.
2. For each activity category, or box, in your organizational chart, please provide the total number of full-time equivalent workers – employees, temporary/contract workers and consultants – and the total personnel costs for that activity category for 2004. The total number on your organizational chart should match the total number reported in Table 2.
3. For each of the highest paid workers in your underwritten title company, please provide:
 - Position Title
 - Salary for 2004
 - Commission for 2004
 - Bonus for 2004
 - Benefits for 2004
 - Consulting Contract for 2004
 - Value of Stock Options for 2004
 - Dividends Paid for 2004 if Owner
 - Complete description of the criteria for, and calculation of, commission and bonus

The number of employees reported depends on the amount of 2004 gross title premium for your underwritten title company:

Less than \$3 million, report the 2 highest paid workers
\$3 million to \$10 million, report the 3 highest paid workers
\$10 million to \$30 million, report the 5 highest paid workers
\$30million to \$50 million, report the 7 highest paid workers
\$50 million to \$100 million, report the 10 highest paid workers
\$100 million to \$300 million, report the 15 highest paid workers
More than \$300 million, report the 20 highest paid workers

4. Please provide a list of the agencies you use for temporary / contract workers and the total amount paid to each agency in 2004.

5. Please indicate whether you will report Table 2 on a paid or an accrual basis.